



It's Not Just About a Building



It's Not Just About a Building

- It's about Our History
- It's about the Lease
- It's about What the Taxpayers Own
- It's about Debt
- It's about an Open Process
- It's about a Bad Proposal
- It's about Public Indignation



It's about the Lease

- 50-Year Lease – 1995 – 2045
 - But City had renegotiation rights up to 2004
- American Royal use rights
 - American Royal
 - Kemper Arena – 20 days a year
 - American Royal Facilities – 35 – 70 days a year
 - American Royal Museum and offices – 365 days
 - “Association Events” – Royal promoted events
 - “Other Events” – Subleased events



It's about the Lease

- Rent
 - Kemper Arena, American Royal Facilities and Parking Lots
 - American Royal
 - \$150,000 a year, subject to up or down percentage adjustment based on annual event revenues
 - Association and Other Events –Daily Rate
 - Kemper Arena - \$4,000/day subject to bi-annual adjustment since 1995
 - Hale Arena and Halls - \$800/day subject to bi-annual adjustment since 1995



It's about the Lease

- Benefits to American Royal
 - Royal keeps all parking revenues from 3 of the 6 lots
 - Royal gets 50% of City's concession revenues
 - Free office rent
 - City pays office utilities
 - Free American Royal Museum rent
 - City pays museum utilities



It's about the Lease

- Benefits to American Royal
 - City pays for set up, cleaning, staffing and take down of City equipment for all events
 - This is big part (we suspect)of the \$1.6 million for annual “Operating Subsidy” and \$688,000 in annual “Unrecouped Costs” in Convention and Entertainment Facilities Department October 2014 Excel analysis



It's about the Lease

- City Revenues
 - Rent for Kemper Arena and American Royal Facilities
 - \$1 per ticket user fee for tickets over \$5
 - 50% concession revenues
 - Parking for the other 3 of the 6 lots



It's about the Lease

- Right of First Refusal
 - American Royal Association has right of first refusal to purchase “American Royal Facilities or Parking Lot A” in the event city proposes to “transfer control” under a “lease, management or consulting arrangement”
 - In the event of a “sale,” purchaser takes subject to American Royal lease rights
 - Does not apply to Kemper Arena



*The City Is
Not in Default*

It's about the Lease

- Maintenance, Repairs and Renovations
 - Sec. 20 Future Improvements
 - “The City shall use its **best efforts** to provide continuous improvements to the American Royal Facilities and Kemper Arena to enhance user amenities and marketability.”
 - “In the event the City fails to make such improvements, the Association may, with the City’s approval as to location and design (which approval shall not be unreasonably withheld), make the improvements at the City’s cost (payable by offset against the rent due hereunder).”



It's about the Lease

Kemper Arena Maintenance Projects		
Five-Year Program		
<i>Source: City Convention and Entertainment Facilities Staff, October 2014</i>		
2013 - 2015		
Kemper Arena	\$	6,265,000
American Royal Facilities		11,985,000
		18,250,000
2016-2017		
Kemper Arena		4,340,000
American Royal Facilities		1,900,000
		6,240,000
All Five Years		
Kemper Arena		10,605,000
American Royal Facilities		13,885,000
	\$	24,490,000



It's about Taxpayers' Buildings

- It's a Public Facility
 - Of course it costs the city to operate and maintain public facilities
 - Police and Fire Stations
 - Community Health Clinics
 - Cost/benefit analysis is misleading
 - A city doesn't "run like a business"
 - A city must meet public needs . . . Justice . . . unlike a private business



It's about Taxpayers' Buildings

Kemper Arena and American Royal Facilities			
Taxpayers' Investment			
<i>Principal Only</i>			
Kemper Arena			
Original Contruction			
General Obligation Bonds	\$	5,600,000	
Revenue Bonds		10,000,000	
Federal Grant		2,000,000	
Bond Interest		575,000	
Subtotal			18,175,000
Expansion and Renovations			
Bonds			23,000,000
American Royal Facilities			
Bonds and Pay-As-You-Go			33,500,000
Total Taxpayers' Investment		\$	74,675,000
<i>With Interest</i>	<i>Well Over</i>	\$	125,000,000



It's about Taxpayers' Buildings

We Maintain, Renovate and Repurpose

- Union Station
- Central Library
- City Hall
- Jackson County Courthouse
- Police Headquarters
- Liberty Memorial
- Kansas City Ballet
- Crossroads
- River Market
- Quality Hill
- President Hotel
- Country Club Plaza
- Power & Light Bldg.
- New York Life Bldg.
- Webster House



It's About an Open Process

- Request for Proposals
 - One party should not be preferred over others
 - Public competition required anyway
 - “The City may dispose of any building or parcel of land which the city may lawfully sell, no longer needed for public use, if the disposition is made on **open and public competition** and pursuant to ordinance.”
 - City Charter, Art. XII, Sec. 1210(b)(2)
 - “Right of first refusal” in Lease does not apply to Kemper Arena



It's About an Open Process

- Request for Proposals - An Open Process
 - American Royal Association free to compete with others
 - Independent analysis of all or best proposals
 - Never done for current American Royal Association proposal
 - Can include or not include transfer of ownership of Kemper Arena



It's About an Open Process

- Request for Proposals - An Open Process
 - Priority consideration to public use proposals
 - Public ownership, private ownership or long-term lease
 - One or two levels
 - One or multiple users
 - Indoor public sports facility for youth and adults
 - Other – Plenty of creative developers locally and in nation



It's About an Open Process

- Request for Proposals - An Open Process
 - Priority consideration to public use proposals
 - Equestrian and livestock events
 - Hundreds of horse, cattle, swine, sheep, etc. breeders national associations with annual national and regional events
 - Not getting these events now
 - » City pays Convention and Visitors Bureau \$7.0 million a year to attract events to Kansas City
 - » American Royal Association was expected to get these events the last 20 years



It's About an Open Process

- Request for Proposals - An Open Process
 - American Royal Association Kemper Arena use rights
 - Take subject to right to use for 20 days; or
 - Provide substitute, e.g., expand and improve Hale Arena (5,000 seats), etc.
 - Eminent domain as a last resort
 - Free to propose dedicated public revenue source



It's About an Open Process

- In the Interim or Otherwise
 - City will have \$2.3 million a year beginning in 2016 to do needed maintenance and renovations for Kemper Arena and American Royal Facilities
 - \$2.3 million a year spent pay-as-you go, not bonded debt as proposed with almost half being spent on interest leaving the local economy



It's About Debt

- City Tax Supported Debt Is Excessively High
 - Kansas City is addicted to debt
 - City needs to reduce debt, not increase it
 - Borrowing \$20.0 million for non-essential project is reckless
 - Plus \$1.0 a year for 30 years for American Royal Association operating subsidy
 - Especially after adding \$10.0 million debt last summer for streetcar planning, *assuming* failed street car taxes would pass



It's About Debt

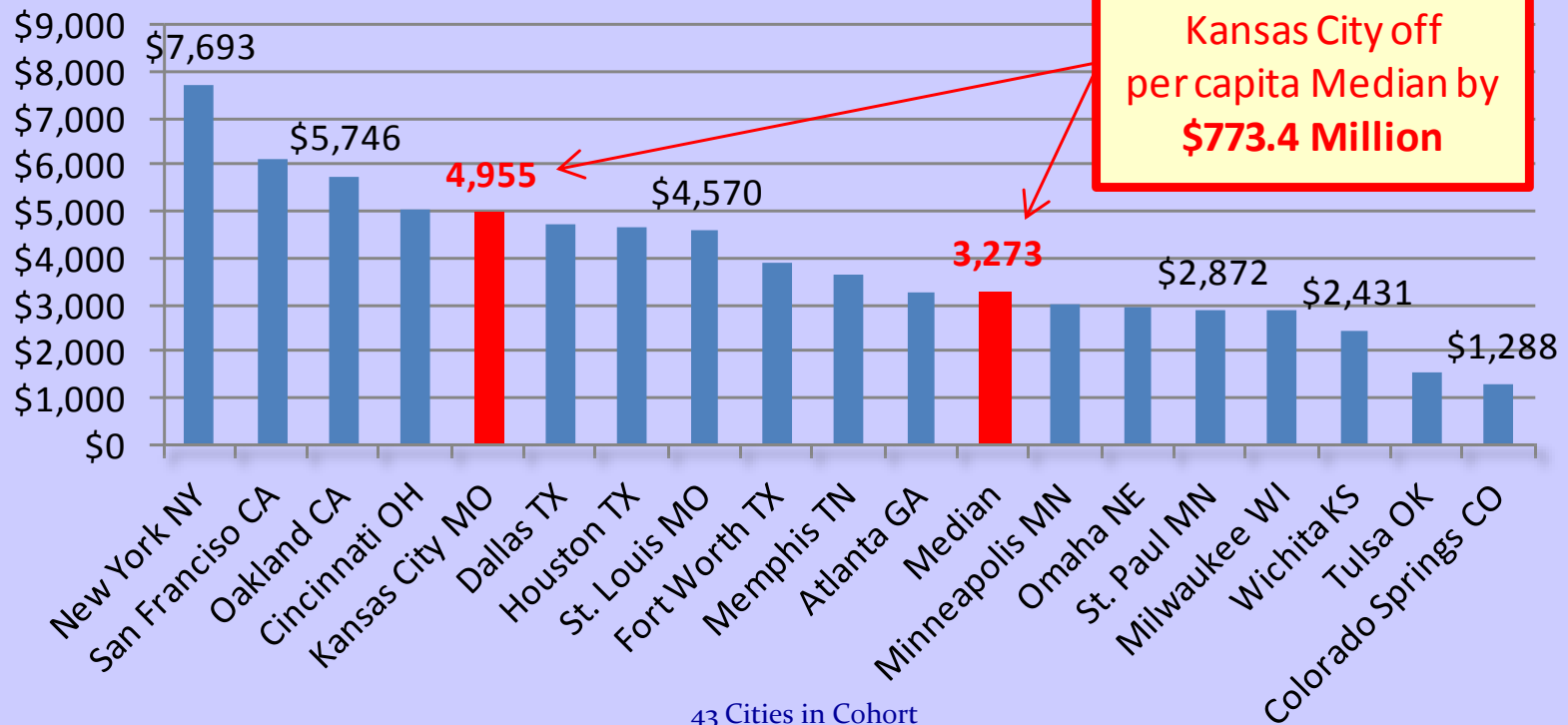
- City Tax Supported Debt Is Excessively High

Kansas City, Missouri Tax Supported Debt - 2014			
As of April 30, 2013			
Type of Debt	Amount		Percent of Total
General Obligation Bonds (as of April 30, 2013)	\$	45.58 Million	28%
Special Obligation Bonds (as of April 30, 2013) a/k/a "annual appropriation debt"		1.13 Billion	72%
Total Tax Supported Debt	\$	1.56 Billion	100%
<i>(This does not include water, sewer and aviation bonds)</i>			
General Fund Expenditures FY 2013 - 2014	\$	973.05 Million	
General and Special Obligation Bonds as percent of General Fund Expenditures		161%	
Source: Submitted Budget FY 2014-2015			



It's About Debt

Debt per Capita "Aa" Cities Over 250,000



43 Cities in Cohort
Source: Moody's Investor Service MFRA



It's About Debt

- City Tax Supported Debt Is Excessively High
 - Bond rating agencies consistently warn:
 - “Modest General Fund reserves, relative to budget, that provide somewhat limited cushion for negative budget variances, particularly given a high percentage of the budget dedicated to debt service and other fixed costs.”

**Sources: Moody's Investors Service credit rating actions for all Kansas City, Missouri general obligation and special obligation (annual appropriation) bonds issues, for 2011 - 2014 (total of nine)*



It's About Debt

- City Tax Supported Debt Is Excessively High
 - Bond rating agencies consistently warn:
 - “High debt burden that is likely to remain high and potentially increase”
 - Need “moderation of city’s above average debt burden”

**Sources: Moody's Investors Service credit rating actions for all Kansas City, Missouri general obligation and special obligation (annual appropriation) bonds issues, for 2011 - 2014 (total of nine)*



It's About Debt

- City Tax Supported Debt Is Excessively High
 - Bond rating agencies consistently warn:
 - “Ongoing leveraging of the debt position without corresponding revenues to support debt service payments, exacerbating fiscal stress on the General Fund”
 - Credit quality affected by . . . the non-essential nature of the projects financed.

**Sources: Moody's Investors Service credit rating actions for all Kansas City, Missouri general obligation and special obligation (annual appropriation) bonds issues, for 2011 - 2014 (total of nine)*



It's About Debt

- City Tax Supported Debt Is Excessively High
 - Bond rating agencies consistently warn:
 - “Special economic development projects that have not generated sufficient revenues to support annual debt obligations
 - City can’t “skate on thin ice” forever
 - “When you find you’re digging yourself into a hole, the first thing you do is stop digging.”

**Sources: Moody's Investors Service credit rating actions for all Kansas City, Missouri general obligation and special obligation (annual appropriation) bonds issues, for 2011 - 2014 (total of nine)*



It's About Debt

- City Tax Supported Debt Is Excessively High
 - City manager every year warns that debt is too high
 - “This budget still has structural issues and we must continue to be vigilant in our efforts to resolve our long-term liabilities so that City services can consistently and adequately be provided at reasonable cost to taxpayers.”
 - City Manager’s Budget Transmittal Letter, FY 2013-2014

**Sources: Moody’s Investors Service credit rating actions for all Kansas City, Missouri general obligation and special obligation (annual appropriation) bonds issues, for 2011 - 2014 (total of nine)*



It's about a Bad Proposal

- No sense to give away over \$125 million in taxpayers' investments
- Essence of ownership is “the right to exclude”
 - Only vague references to doing youth sports
 - Difficult to enforce over 30 years and beyond



It's about a Bad Proposal

- A Taxpayer “Bail Out”?
 - If American Royal Association needs a \$1.0 million annual operating subsidy, is it no longer is “going concern?”
 - American Royal attendance believed to be falling, not increasing



It's about a Bad Proposal

- Events Other than the American Royal
 - American Royal Association hasn't put on additional horse, livestock or other events the last 20 years
 - No reason to expect the next 20 years to be any different
 - A case of “keep doing the same thing, but expecting different results”



It's about a Bad Proposal

- West Bottoms/Stockyards Redevelopment
 - Could be “Next Big Thing” in Kansas City
 - Continued dormancy at American Royal Facilities and Kemper Arena holds back redevelopment
 - Need to distinguish between West Bottoms north and south of I-635



It's about a Bad Proposal

- Benchmark Question for Spending City Tax Dollars
 - “Will this make people want to live, work and stay in Kansas City, Missouri?”
 - “NO”



It's Not about the Bar-B-Que

- Bar-B-Que uses parking lots, not arenas
- One weekend out of the entire year
- Not really part of the American Royal Association
- “Tail wagging the dog”



It's About Public Indignation

Kansas City Star Poll

Monday, November 03, 2014

Kemper Arena should be demolished to make way for a new, smaller building for the American Royal and possibly youth sports activities.

Agree 37%

Disagree **62%**

Kansas City taxpayers should spend what the American Royal needs to build its new facility.

Agree 25%

Disagree **75%**

How worried are you the the American Royal might move elsewhere, possible to Kansas, if Kemper is not demolished?

Worried 28%

Not Worried **72%**

Whatever happens to Kemper and the American Royal, redevelopment of the entire West Bottoms is:

Important **81%**

Not Important 19%



It's About Public Indignation

Kansas City, Missouri Citizens Satisfaction Survey, 2013-2014

<i>Item</i>	<i>Percent Satisfied*</i>		<i>Compared to Metro</i>
Value received for city tax dollars and fees	37.2%	F	Below average
Overall feeling of safety in city	40.7%	F	Below average
Overall quality of city services	55.5%	F	Below average
Overall quality of life	62.8%	D	Below average
Overall image of city	56.5%	F	Below average
Fire and ambulance	75.6%	C	Below average
Trash and recycling	67.7%	D	Below average
Police	63.1%	D	Below average
Parks and recreation	61.4%	D	Below average
Neighborhood services	45.3%	F	Below average
Public transportation	40.1%	F	Below average
Streets, sidewalks and infrastructure	27.8%	F	Below average

**"Very Satisfied" and "Satisfied" Combined; "Don't Know" Excluded*



It's About Public Indignation

- American Royal Association Seen As . . .
 - “arrogant”
 - “bullying”
 - “adamant”
 - “obsessive”
 - “arm twisting”
 - “obstinate flame throwing”



It's About Public Indignation

- Public Actions
 - National Historic Register
 - “Crowd funding” the needed \$3,000 by tomorrow to finish and submit nearly completed application
 - Go to www.gofundme.com for “Save Kansas City’s Kemper Arena”
 - Historic rehabilitation tax credits will stimulate interest in RFP



It's About Public Indignation

- Public Actions
 - Initiative Petition (only 3,572 signatures required)
 - Require public vote on transfer or demolition of Kemper Arena or broader use or dollar category of city-owned facilities; *and/or*
 - Initiative Petition (only 3,572 signatures required)
 - Require public vote on “annual appropriation” or any tax funded city debt greater than specified dollar amount



It's About Public Indignation

- Public Actions
 - Mayor and city council elections only 6 months away, April 2015
 - Earnings tax renewal election only 18 months away, must be by April 2016
 - We will lobby against \$20.0 million state funding in Jefferson City



Thanks!



It's about Our History

- Built 1973-1974 for \$22 Million
 - \$18.2 from the Taxpayers (83% of total)
 - \$5.6 million general obligation bonds
 - \$10.0 million Sports Authority revenue bonds
 - \$2.0 million federal grants for streets
 - \$575,000 bond interest
 - Land donated by Kansas City Stockyards Co.
 - \$3.2 million from Crosby Kemper
 - \$1.5 million from American Royal Association



It's about Our History

- Expanded in 1997
 - Added 2,000 seats
 - Added east glass curtain wall lobby
 - Upgraded restrooms and seating
 - \$23.0 million general obligation bonds
 - Will be paid off April 2016, only \$4.3 million debt left
 - Annual payment is \$2.3 million
 - This is what is proposed to fund \$20.0 for new American Royal private arena and \$1.0 million a year American Royal private operating subsidy



It's about Our History

- “American Royal Facilities” Added 1992
 - Hale Arena, Exhibition Hall, Governor’s Building, American Royal Museum, American Royal Offices, etc.
 - Built 1991-1992 for \$33.5 million - Taxpayer funded
 - American Royal Association wants City to give them American Royal Facilities also, we understand
 - Original American Royal Arena
 - Built 1922 for \$650,000 by City



It's about Our History

- Kemper Arena Roof Collapse 1979
 - Roof had to be designed to drain water slowly because **city storm sewers were inadequate** for runoff
 - In large part a basic services & infrastructure failure
 - Storm with heavy rains and 70 mph winds
 - Bolt shear from roof swinging back and forth in 70 mph winds with ponded rainwater



It's about Our History

- Major Events and Uses
 - Kansas City Kings NBA Basketball 1974-1985
 - Kansas City Scouts NHL Hockey 1974-1976
 - Republican National Convention 1976
 - Gerald Ford nominated over Ronald Reagan
 - Basketball Mecca
 - 34 NCAA Men's and Women's basketball championships 1975 – 2005, including Final Four
 - Kansas City Comets MISL Soccer 1981-1991



It's about Our History

- Architectural Icon
 - Helmut Jahn AIA
 - Internationally famous German-born architect
 - AIA National Honor Award 1976
 - Steel trusses hung from three huge portals supporting roof designed to swing in heavy wind
 - “Revolutionary in its simplicity and the fact that it had no interior columns obstructing views. Its roof is suspended by iconic exterior steel trusses. Kemper’s exterior skeleton style was used extensively throughout Jahn’s other projects”



Assumptions for Financial Alternatives Analysis			
Item	Amount	Source	
City Annual Operating Subsidies			
Royal Buildings	857,436	City staff PZED spread sheet Oct 29 2014	
Kemper Arena	754,996	City staff PZED spread sheet Oct 29 2014	
Total	1,612,432		
City Unrecouped Costs			
Royal Buildings (Allocation?)	134,000	City staff PZED spread sheet Oct 29 2014	
Kemper Arena (Allocation?)	554,000	City staff PZED spread sheet Oct 29 2014	
Total	688,000		
City Deferred Maintenance Total			
Royal Buildings	13,885,000	Convention and Entertainment Facilities staff, Oct 9, 2014	
Kemper Arena	10,605,000	Convention and Entertainment Facilities staff, Oct 9, 2014	
Total	24,490,000		
Years of deferred maintenance	1996-2014 minus 1996-2001	13	Convention and Entertainment Facilities staff, Oct 9, 2014
City Future Capital Maintenance Annual Payments			
Royal Buildings Scenario A	1,300,000	City staff PZED spread sheet Oct 29 2014, principal only	
Kemper Arena Scenario A	1,500,000	City staff PZED spread sheet Oct 29 2014, principal only	
Total	2,800,000		
Royal Buildings Scenario B	903,239	Same as deferred maintnace figures 1996-2014, debt service P & I	
Kemper Arena Scenario B	689,870	Same as deferred maintnace figures 1996-2014, debt service P & I	
Total	1,593,110		
Royal Buildings Scenario C	1,068,077	Same as deferred maintnace figures 1996-2014/13 years for principal only	
Kemper Arena Scenario C	815,769	Same as deferred maintnace figures 1996-2014/13 years for principal only	
Total	1,883,846		
Rate	5%	City staff PZED spread sheet Oct 29 2014	
Years	30	City staff PZED spread sheet Oct 29 2014	
Annual Payments			
Deferred Maintenance			
Royal Buildings	903,239	Payment calculation, no rounding	
Kemper Arena	689,870	Payment calculation, no rounding	
Total	1,593,110		
New Arena Scenario			
City Contribution	20,000,000	City staff PZED spread sheet Oct 29 2105	
Demolition	-	City staff PZED spread sheet Oct 29 2014	
Total	20,000,000		
Debt Service for Annual Contribution	1,301,029	Payment calculation, no rounding	
Annual American Royal Operating Subsidy	1,000,000	Payment calculation, no rounding	
Annual Bonded Debt Service Amounts			
20,000,000 Principal	1,301,029	Payment calculation, no rounding	
25,000,000 Principal	1,626,286	Payment calculation, no rounding	
30,000,000 Principal	1,951,543	Payment calculation, no rounding	
35,000,000 Principal	2,276,800	Payment calculation, no rounding	
40,000,000 Principal	2,602,057	Payment calculation, no rounding	
Current Annaul City Expenses for Full Complex			
Debt Service Kemper	2,264,300	FY 2015 budgeted amount	
Operating Subsidy	1,612,432	Convention and Entertainment Facilities staff, Oct 9, 2014	
Uncouped Costs	688,000	Convention and Entertainment Facilities staff, Oct 9, 2014	
	4,564,732		



Scenario: Status Quo - Keep Kemper and Do Deferred Maintance on Kemper and American Royal Facilities, City Figures

		Current Operating Subsidy		Unrecouped City Costs		Deferred Maintenance		Future Maintenance		New Deal		Freed Up	
Year		Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	Arena	Subsidy	Total	Debt Service
Valt	2015	857,436	754,996	134,000	554,000	13,885,000	10,605,000	1,300,000	1,500,000	-	-		
1	2016	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	
2	2017	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	(2,264,300)
3	2018	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	(2,264,300)
4	2019	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	(2,264,300)
5	2020	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
*	2021	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
7	2022	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
8	2023	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
9	2024	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
10	2025	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
Calculations for Years 11 - 19													
20	2035	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
21	2036	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
22	2037	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
23	2038	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
24	2039	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
25	2040	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
26	2041	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
27	2042	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
28	2043	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
29	2044	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
30	2045	857,436	754,996	134,000	554,000	903,239	689,870	1,300,000	1,500,000	-	-	6,693,542	(2,264,300)
Totals		25,723,080	22,649,880	4,020,000	16,620,000	27,097,175	20,696,114	33,800,000	39,000,000	-	-	189,606,249	(65,664,700)
Math Checks			48,372,960		20,640,000		47,793,289		72,800,000			189,606,249	
Net Present Value												92,967,480	(34,283,933)
Per Year												3,098,916	(1,142,798)
Net Cost to City													58,683,547
Per Year													1,956,118



Scenario - Demolish Kemper, New Arena, Do Deferred Maintenance on American Royal Facilities													
		Current Operating Subsidy		Unrecouped Costs		Deferred Maintenance		Future Maintenance		New Deal			Freed Up
Year		Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	New Arena	Subsidy	Total	Debt Service
Values	2015	857,436	754,996	134,000	554,000	13,885,000	10,605,000	1,300,000	1,500,000	20,000,000	1,000,000		
1	2016	857,436	-	134,000	-	903,239	-	-	-	1,301,029	1,000,000	4,195,704	-
2	2017	857,436	-	134,000	-	903,239	-	-	-	1,301,029	1,000,000	4,195,704	(2,264,300)
3	2018	857,436	-	134,000	-	903,239	-	-	-	1,301,029	1,000,000	4,195,704	(2,264,300)
4	2019	857,436	-	134,000	-	903,239	-	-	-	1,301,029	1,000,000	4,195,704	(2,264,300)
5	2020	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
6	2021	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
7	2022	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
8	2023	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
9	2024	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
10	2025	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
Calculations for Years 11 - 19													
20	2035	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
21	2036	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
22	2037	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
23	2038	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
24	2039	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
25	2040	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
26	2041	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
27	2042	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
28	2043	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
29	2044	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
30	2045	857,436	-	134,000	-	903,239	-	1,300,000	-	1,301,029	1,000,000	5,495,704	(2,264,300)
	Totals	25,723,080	-	4,020,000	-	27,097,175	-	33,800,000	-	39,030,861	30,000,000	159,671,116	(65,664,700)
Math Checks		25,723,080		4,020,000		27,097,175		33,800,000				159,671,116	
Net Present Value												79,872,703	(32,651,365)
Per Year												2,662,423	(1,088,379)
Net to City													47,221,338
Per Year													1,574,045



Scenario: Status Quo - Keep Kemper and Do Deferred Maintaintance on Kemper and American Royal Facilities, Future Maintenance Cost Same as Deferred													
		Current Operating Subsidy		Unrecouped City Costs		Deferred Maintenance		Future Maintenance		New Deal		Freed Up	
	Year	Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	New Arena	Subsidy	Total	Debt Service
Value	2015	857,436	754,996	134,000	554,000	13,885,000	10,605,000	13,885,000	10,605,000	-	-		
1	2016	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	
2	2017	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	(2,264,300)
3	2018	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	(2,264,300)
4	2019	857,436	754,996	134,000	554,000	903,239	689,870	-	-	-	-	3,893,542	(2,264,300)
5	2020	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
6	2021	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
7	2022	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
8	2023	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
9	2024	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
10	2025	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
Calculations for Years 11 - 19													
20	2035	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
21	2036	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
22	2037	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
23	2038	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
24	2039	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
25	2040	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
26	2041	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
27	2042	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
28	2043	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
29	2044	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
30	2045	857,436	754,996	134,000	554,000	903,239	689,870	903,239	689,870	-	-	5,486,651	(2,264,300)
Totals		25,723,080	22,649,880	4,020,000	16,620,000	27,097,175	20,696,114	23,484,219	17,936,632	-	-	158,227,100	(65,664,700)
Math Checks			48,372,960		20,640,000		47,793,289		41,420,851			158,227,100	
Net Present Value												78,694,190	(34,283,933)
Per Year												2,623,140	(1,142,798)
Net Cost to City													44,410,257
Per Year													1,480,342



		Current Operating Subsidy		Unrecouped Costs		Deferred Maintenance		Future Maintenance		New Deal		Freed Up	
Year		Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	Royal Bldgs	Kemper	New Arena	Subsidy	Total	Debt Service
1	2015	857,436	754,996	134,000	554,000	13,885,000	10,605,000	1,300,000	1,500,000	20,000,000	1,000,000		
2	2016	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	-
3	2017	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
4	2018	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
5	2019	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
6	2020	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
7	2021	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
8	2022	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
9	2023	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
10	2024	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
11	2025	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
12	2026	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
13	2027	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
14	2028	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
15	2029	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
16	2030	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
17	2031	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
18	2032	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
19	2033	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
20	2034	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
21	2035	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
22	2036	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
23	2037	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
24	2038	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
25	2039	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
26	2040	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
27	2041	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
28	2042	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)
29	2043	-	-	-	-	-	-	-	-	1,301,029	1,000,000	2,301,029	(2,264,300)

[illegible]